

## Message Text

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47

ACTION NEA-10

INFO OCT-01 ISO-00 L-02 COME-00 EB-07 SS-15 NSC-05 CIAE-00

INR-05 NSAE-00 PA-01 RSC-01 USIA-06 PRS-01 SP-02

TRSE-00 XMB-02 OPIC-03 CIEP-01 FRB-01 AID-05 NEAE-00

OMB-01 /069 W

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P 121346Z DEC 74

FM AMEMBASSY MANAMA BAHRAIN

TO SECSTATE WASHINGTON DC PRIORITY 1709

C O N F I D E N T I A L MANAMA 1031

E.O. 11652: GDS

TAGS : BBIS, BA, US

SUBJECT : TAKEOVER OF RTV BAHRAIN BY BAHRAIN GOVERNMENT

REFS : STATE 267659, MANAMA 1019

1. IMS PRISIDENT MCKEE CALLED DECEMBER 11, ACCOMPANIED BY RTV BAHRAIN MANAGER HAMILTON AND LOCAL ATTORNEY (XORMER JORDANIAN CABINET MINISTER) HATIM ZU'BI. NATIONAL BANK OF BAHRAIN HAS NOTIFIED RTV BAHRAIN THAT B.D. 250,000 LINE OF CREDIT IS BEING CALLED, PAYABLE IN FULL DECEMBER 15. IMS IS GUARANTOR. PRIMARY IMS CONCERN IS THAT IF BANKRUPTCY PROCEEDINGS BEGIN LOCALLY AGAINST RTV BAHRAIN, IMS WILL BE VULNERABLE AND BANKRUPTCY THREAT COULD SPREAD TO U.S. BRINGING DOWN ENTIRE IMS ORGANIZATION.

2. FROM DISCUSSION IT CLEAR THAT IMS NO LONGER SERIOUSLY INTERESTED IN CONTINUED EXISTENCE RTV BAHRAIN AND QUITE AMENABLE TO HAVING ITS INTEREST IN BAHRAINI RADIO/TELEVISION COMPANY TAKEN OVER BY GOB. BASIC IMS GOAL IS A SETTLEMENT WHICH WILL COVER ITS ROUGHLY ONE MILLION DOLLAR INVESTMENT TO DATE PLUS LINE OF CREDIT LIABILITY TO NATIONAL BANK OF BAHRAIN.

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EM FROM DISCUSSION IT APPERARED THAT NO ONE IN RTV/IMS

ORGANIZATION HAS TALKED WITH ANYONE IN GOB EXCEPT INFORMATION MINISTER MOAYYED AND THAT GOB POSITION ON SETTLEMENT IS AT BEST MURKY. I SUGGESTED THAT SINCE MCKEE HERE ESSENTIALLY TO PROTECT FINANCIAL POSITION IMS, AND SINCE THERE NO HARD EVIDENCE WHATSOEVER GOB INCLINED TO TREAT FOREIGN INVESTORS BADLY, HE AND LEGAL COUNSEL NEED NOT HESITATE TO GO BEYOND INFORMATION MINISTER IF NECESSARY TO SMOKE OUT GOB POSITION AND ATTEMPT TO ARRANGE GOB TAKEOVER OF IMS INTEREST. MCKEE AGREED. HE WILL BE SEEING INFORMATION MINISTER DECEMBER 12 AND PERHAPS WILL BE IN CONTACT WITH OTHER APPROPRIATE GOB OFFICIALS IN NEXT FEW DAYS.

4. I EXPLAINED TO MCKEE THAT, WITH DEPARTMENT'S CONCURRENCE, EMBASSY WOULD BE PREPARED TO INTERVENE WITH GOB TO URGE FAIR COMPENSATION FOR IMS IF THIS APPEARED NECESSARY. AT MOMENT, HOWEVER, GOB INTENTIONS ARE UNCLEAR, GOB OFFICIALS HAVE STUDIOUSLY AVOIDED RAISING THIS QUESTION WITH ME, AND THERE IS NO EVIDENCE IMS HAS A REAL PROBLEM WITH REGARD TO COMPENSATION. MCKEE AGREED AND PROMISED TO KEEP IN CLOSE TOUCH AS HE EXPLORES QUESTION HERE OVER NEXT FEW DAYS.

5. ACTION REQUESTED: WITH LINE OF CREDIT BEING CALLED BY DECEMBER 15 THIS LIKELY TO BE FAST-BREAKING PROBLEM. THEREFORE, IN ABSENCE INSTRUCTIONS TO CONTRARY, I ASSUME I HAVE DEPARTMENT'S CONCURRENCE IN APPROACHING GOB TO URGE FAIR COMPENSATION FOR IMS IF, AND ONLY IF, THIS APPEARS TO BE A REAL RATHER THAN POTENTIAL PROBLEM.

TWINAM

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## Message Attributes

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**TAGS:** BDIS, BA, US  
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